

DIGITAL SECURITY SYSTEMS
CORPORATION, LLC,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD.;
SAMSUNG ELECTRONICS AMERICA,
INC.; BEST BUY CO., INC.; D&M
HOLDINGS, INC.; DENON
ELECTRONICS (USA), LLC; FUNAI
ELECTRIC CO., LTD.; FUNAI
CORPORATION, INC.; LG
ELECTRONICS, INC.; LG ELECTONICS
U.S.A., INC.; MATSUSHITA INDUSTRIAL
ELECTRIC CO., LTD.; PANASONIC
CORPORATION OF NORTH AMERICA;
KONINKLIJKE PHILIPS ELECTRONICS
N.V.; PHILLIPS ELECTRONICS NORTH
AMERICA CORPORATION; PIONEER
CORPORATION; PIONEER ELECTONICS
(USA), INC.; SHARP CORPORATION; and
SHARP ELECTRONICS CORPORATION,

Defendants.

CIVIL ACTION NO. 2:08cv316

JURY TRIAL DEMANDED

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2. Defendant Samsung Electronics Co., Ltd., (“Samsung”) is a corporation organized and existing under the laws of the Republic of Korea with its principal place of business located at Samsung Main Building, 250, Taepyeongro 2-ga, Jung-gu, Seoul 100-742, Republic of Korea.

3. Defendant Samsung Electronics America, Inc. (“Samsung America”) is a corporation organized and existing under the laws of the State of New York with its principal place of business located at 105 Challenger Road, Ridgefield Park, New Jersey 07660. Samsung America may be served via its registered agent for service of process, CT Corporation System, 350 North St. Paul Street, Dallas, Texas 75201.

4. Defendant Best Buy Co., Inc. (“Best Buy”) is a corporation organized and existing under the laws of the State of Minnesota with its principal place of business located at 7601 Penn Avenue South, Richfield, Minnesota 55423. Best Buy may be served via its registered agent for service of process, CT Corporation System, 350 North St. Paul Street, Dallas, Texas 75201.

5. Defendant D&M Holdings, Inc. (“D&M”) is a corporation organized and existing under the laws of Japan with its principal place of business located at 2-1 Nisshin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-8569, Japan.

6. Defendant Denon Electronics (USA), LLC (“Denon”) is a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business located at 100 Corporate Drive, Mahwah, New Jersey 07430-2041. Denon is a subsidiary of Defendant D&M. Denon may be served via its registered agent for service of process, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

7. Defendant Funai Electric Co., Ltd. (“Funai Electric”) is a corporation organized and existing under the laws of Japan with its principal place of business located at 7-7-1 Nakagaito, Daito, Osaka 574-0013, Japan.

8. Defendant Funai Corporation, Inc. (“Funai”) is a corporation organized and existing under the laws of the State of New Jersey with its principal place of business located at 19900 Van Ness Avenue, Torrance, California 90501. Funai may be served via its registered agent for service of process, National Corporate Research LTD, 14 Scenic Drive, Dayton, New Jersey 08810.

9. Defendant LG Electronics, Inc. (“LG”) is a corporation organized and existing under the laws of the Republic of Korea with its principal place of business located at LG Twin Towers, 20 Yeouido-dong, Yeongdeungpo-gu, Seoul 150-721, Republic of Korea.

10. Defendant LG Electronics U.S.A., Inc. (“LG USA”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 920 Sylvan Avenue, Englewood Cliffs, New Jersey 07632. LG USA may be served via its registered agent for service of process, United States Corporation Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

11. Defendant Matsushita Industrial Electric Co., Ltd. (“Matsushita”) is a corporation organized and existing under the laws of Japan with its principal place of business located at 1006 Oaza Kadoma, Kadoma City, Osaka 571-8501, Japan.

12. Defendant Panasonic Corporation of North America (“Panasonic”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at One Panasonic Way, Panazip 71-1, Secaucus, New Jersey 07094. Panasonic may be served via its registered agent for service of process, CT Corporation System, 350 North St. Paul Street, Dallas, Texas 75201.

13. Defendant Koninklijke Philips Electronics N.V. (“Phillips”) is a corporation organized and existing under the laws of The Netherlands with its principal place of business located at Groenewoudseweg 1, 5621 BA, Eindhoven, The Netherlands.

14. Defendant Philips Electronics North America Corporation (“Philips America”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 1251 Avenue of the Americas, 20th Floor, New York, New York 10020. Philips America may be served via its registered agent for service of process, Corporation Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

15. Defendant Pioneer Corporation (“Pioneer”) is a corporation organized and existing under the laws of Japan with its principal place of business located at 4-1, Meguro 1-Chome, Meguro-ku, Japan.

16. Defendant Pioneer Electronics (USA), Inc. (“Pioneer USA”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 2265 East 220th Street, Long Beach, California 90810. Pioneer USA may be served via its registered agent for service of process, Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

17. Defendant Sharp Corporation (“Sharp”) is a corporation organized and existing under the laws of Japan with its principal place of business located at 22-22 Nagaike-cho, Abeno-ku, Osaka 545-8522, Japan.

18. Defendant Sharp Electronics Corporation (“Sharp Electronics”) is a corporation organized and existing under the laws of the State of New York with its principal place of business located at Sharp Plaza, Mahwah, New Jersey 07430. Sharp Electronics may be served via its registered agent for service of process, CT Corporation System, 350 North St. Paul Street, Dallas, Texas 75201.

II. JURISDICTION AND VENUE

19. This is an action for infringement of a United States patent arising under 35 U.S.C. §§ 271, 281, and 284-285, among others. This Court has subject matter jurisdiction of the action under Title 28 U.S.C. §1331 and §1338(a).

20. The Court has personal jurisdiction over each Defendant, and venue is proper pursuant to 28 U.S.C. §§ 1391 and 1400(b). Each Defendant has substantial contacts with the forum as a result of pervasive business activities conducted within the State of Texas and within this District, including but not limited to the sale and distribution of various Blu-ray Disc players. Further, each Defendant has committed and continues to commit acts of patent infringement, directly and/or through agents and intermediaries, by shipping, distributing, importing, offering for sale, and/or selling certain infringing products in Texas and, particularly, the Eastern District of Texas. Each Defendant has purposefully and voluntarily placed one or more of its infringing products into the stream of commerce with the expectation that they will be purchased by consumers in the Eastern District, who in turn use the products in an infringing manner in this District. Each Defendant has induced infringement and/or contributed infringement by their respective customers who use Defendants' respective products in an infringing manner in this District.

III. PATENT INFRINGEMENT

21. On April 18, 2000, United States Patent No. 6,052,780 (the “‘780 patent”) was duly and legally issued for “Computer System and Process for Accessing an Encrypted and Self-Decrypting Digital Information Product While Restricting Access to Decrypted Digital Information.” A true and correct copy of the ‘780 patent is attached hereto as Exhibit “A” and made a part hereof.

22. DSS is the exclusive licensee of the '780 patent with all substantive rights in and to the '780 patent, including the sole and exclusive right to prosecute this action and enforce the '780 patent against infringers, and to collect damages for all relevant times. As it pertains to this lawsuit, the '780 patent relates to the encryption and decryption process used by Blu-ray Disc players to prevent piracy.

23. Defendants, directly or through intermediaries, make, have made, use, import, provide, supply, distribute, sell, and/or offer for sale products and/or systems that infringe or, when used, infringe one or more claims of the '780 patent. In addition, Defendants induce infringement and/or contribute to the infringement of one or more of the claims of the '780 patent by others.

24. DSS has been damaged as a result of Defendants' infringing conduct. Defendants are, thus, liable to DSS in an amount that adequately compensates it for their infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

25. Upon information and belief, Defendant Matsushita is aware of the '780 patent, has knowledge of the infringing nature of its activities, has nevertheless continued its infringing activities, and its infringing activities have been and continue to be willful. Specifically, the '780 patent was cited as relevant prior art in connection with the prosecution of certain, subsequent patent applications by Matsushita.

IV. JURY DEMAND

26. DSS hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

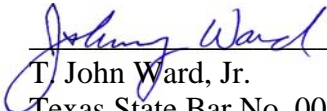
V. PRAYER FOR RELIEF

DSS requests that the Court find in its favor and against Defendants, and that the Court grant DSS the following relief:

- a. Judgment that one or more claims of United States Patent No. 6,052,780 have been infringed, either literally and/or under the doctrine of equivalents, by one or more Defendants and/or by others to whose infringement Defendants have contributed and/or by others whose infringement has been induced by Defendants;
- b. Judgment that Defendants account for and pay to DSS all damages to and costs incurred by DSS because of Defendants' infringing activities and other conduct complained of herein;
- c. That, to the extent Defendants have had knowledge of their infringing activities, Defendants' infringements be found to be willful from the time that Defendants became aware of the infringing nature of their respective activities, and that the Court award treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;
- d. That DSS be granted pre-judgment and post-judgment interest on the damages caused by Defendants' infringing activities and other conduct complained of herein;
- e. That this Court declare this an exceptional case and award DSS its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
- f. That DSS be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: August 11, 2008.

Respectfully submitted,


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